

Raleigh Housing Authority
Request for Proposals
Salary and Compensation Comparability Study

December 12, 2022

The Raleigh Housing Authority (RHA) is seeking proposals from consultants experienced in conducting salary comparability studies for governmental units, specifically public housing agencies. The purpose of this study is to determine the salary grades and ranges for professional, administrative, trades, and residential maintenance positions at RHA, as well as the comparability of the benefits package. RHA is seeking industry and local comparables for all positions. Some of the factors to be taken into consideration for this analysis are local unemployment rates, current cost of living, a potential recession, higher turnover rates than desirable, average employee retention time, challenges attracting talent, and the highly specialized nature of some positions. RHA's motivation is to set salaries that are competitive in the local labor market to enable it to attract, hire, and retain skilled employees. RHA is located in the Capital City of North Carolina and has competition for employees from state, county, and city governments, several colleges, and Research Triangle Park in addition to other housing authorities. Comparables with other housing authorities must be identified or adjustments made to reflect the expertise required of RHA staff and the competition for talent in the local community. The study must indicate how these comparables were developed and the method for determining adjustments.

Agency Overview: The Raleigh Housing Authority owns, manages, and maintains over 1200 units of public housing in 12 developments, over 190 Rental Assistant Demonstration ("RAD") units, administers over 4000 Section 8 vouchers, 130 Emergency Housing Vouchers ("EHV"), and provides property management for over 480 affordable units owned by its non-profit subsidiary. The current operating budget totals over \$46 million. HUD has rated RHA as a top performer for more than the last twenty years. The most recent Public Housing Assessment System (PHAS) score was a 95, and RHA received perfect scores in the management, financial, and capital fund categories.

The authority operates a number of programs in addition to the rental assistance programs of public housing and Section 8 vouchers. Programs currently in place at RHA include Section 8 Vouchers, EHV, tenant-based supportive housing, resident councils in each community, the Inter-Community Council, and Capital Fund Grants. On August 31, 2022, one of our public housing properties converted to RAD. On October 31, 2022, RHA closed on three additional RAD properties. The leases were effective October 1st and December 1st respectively.

RHA is the recipient of five HOPE VI grants (three demolition and two revitalization). The staff wrote the grant applications and handled all the legwork to put together fundable applications. RHA prepared the relocation plans and carried out the relocation of over 700 families. The agency also prepared the revitalization plan and handled the financial management and leveraging. RHA served as its own developer for the HOPE VI projects, overseeing the development of public housing, tax credit, and market rate units. The HOPE VI programs included the purchase of scattered-site, single-family homes. RHA's staff handled the purchase of these 227 units. The HOPE VI Quarterly Reports were prepared by staff and submitted timely.

The RHA staff completes many work items that would be contracted out by other authorities. Some of this work is completed in conjunction with RHA's wholly owned non-profit subsidiary Capitol Area Developments Inc. (CAD). RHA and CAD share staff in many cases, particularly in the case of administrative and director level staff. RHA has redeveloped a 300-unit development without any additional federal, state, or local funding. The agency prepared the revitalization plan, budgets, and served as its own developer to return 292 units on-site. To date RHA is in the beginning stages of redevelopment efforts at Heritage Park, a 122-unit public housing community, built in 1976. The agency selected a co-developer in October 2022 to assist with redevelopment efforts.

Some of CAD's development activities include:

- Developed Trailside Commons, which was a first time homebuyer's program that provided lease-to-own town homes.
- Owns and manages a 106-unit market rate complex operated within the non-profit IRS safe harbors.
- Constructed 31 single-family homes to be sold to first time homebuyers; assisted potential buyers to secure financing and pre-qualified interested buyers; worked with banks and the City of Raleigh to line up second mortgages to make the units affordable.
- Served as the program manager for two HOPE VI revitalization grants and one non-grant revitalization; built the 233 market rate units that were constructed as part of the two HOPE VI Programs and non-grant revitalization.
- Acts as general partner and managing member of two senior tax credit developments which constructed 145 units. The tax credit applications were written in-house by staff.

RHA's Current Compensation System: RHA promotes staff from within whenever possible. This is particularly true at the Director level. RHA is a "pay for performance" agency that provides annual merit increases rather than sole cost of living adjustments. Merit increases are traditionally split between a base pay adjustment and a one-time separate check. This practice has resulted in salary compression for some of our longer-term staff. In an effort to mitigate recent cost increases due to inflation, RHA warranted a 5% pay increase for all employees in August of 2022. This adjustment combined with our current merit system has resulted in some employees being compensated at levels exceeding the maximum of their assigned pay range.

On a limited basis, approximately 10% of employees each year may qualify for an incentive check for performance far above their normal job duties. These are allocated among departments at one incentive recommendation for every ten employees appraised. This compensation is not included in the salary basis. (An attachment is provided giving a functional overview of each department at RHA.)

The current turnover rate for our most recent fiscal year ending March 31, 2022 was approximately 32% (30 separations out of an average of 93 employees for 124 approved positions). The work of many of the staff at RHA is highly specialized. RHA is seeking a pay system that attracts talent and rewards employees for sound judgment and creativity as well as accurate performance of tasks. The retention of employees is vital to our agency's success.

There are currently 131 approved positions for the fiscal year ending March 31, 2023 and we currently have 29 vacant positions to fill as of November 28, 2022. All of these positions are organized into a system of grades with steps within each grade. In general the grades at RHA start at grade 6 for an entry-level Office Assistant IV position with a pay range of \$28,8820 – \$44,710 up to a grade of 33 for the Director of Administration – Finance/Deputy Executive Director position with a pay range of \$107,602 –\$166,927. The Executive Director's salary is set by the Board. The general practice of RHA is to set the salary of new hires between the starting salary and the mid-point based on qualifications, experience, and the applicant's existing salary. As a result of recent economic conditions, more recent hires have a starting salary closer to or exceeding the mid-point of the pay range. This practice along with our current merit pay practice has further affected internal pay equity.

In April 2021, RHA adopted a Living Wage Rate ("LWR") which establishes the minimum starting pay for employees. The LWR is calculated each year and is not to be decreased from the prior year in the event the LWR has decreased. As a result, eight of our current positions are assigned to pay grades which are below the minimum of the LWR.

Information Provided by RHA: RHA will provide:

- Updated job descriptions and salary ranges for each position. (Approximately 67.)
- A list of all the positions at RHA and the number of employees in those positions.
- Information on job turnover in the last year

- Staff to answer questions relating to comments gathered at the exit interviews that may assist the contractor.
- Possible suggestions for other housing authorities and agencies that are comparable to RHA in size, location and mission, if necessary.

Deliverables: This Request for Proposals is to analyze the salary schedules for all positions at RHA and its comparability to other employers in our industry, government sector, and private entities within the metropolitan area. An original report and twelve copies are expected from the contractor selected to complete the salary analysis.

- Executive Summary of the findings.
- Revisions recommended for pay ranges. This should include supporting information for the change.
- The contractor will provide a listing of the agencies that were used as comparables along with any adjustments applied to arrive at comparability.
- Identification of comparable positions including titles and locations.
- Comparables should include industry and private market positions as well as local City and County government comparisons.
- If comparable positions cannot be located, then the factors used to estimate the position should be provided.
- Provide salary recommendations for all of RHA's budgeted positions with special consideration to the following new or proposed positions:
 - Customer Service Manager
 - Account Specialist II (Lead)
 - Client Specialist II (Lead)
 - Director of Human Resources
 - Human Resources Assistant
 - Communications Specialist
 - Development Coordinator
 - Reexamination Specialist
 - Resident Services Coordinator
 - Office Assistant positions for the Property Management offices.
- Provide salary comparison data for the Executive Director, Chief Executive Officer, and Chief Operations Officer positions for a similar-sized agency in the southeast region.
- Provide data on benefit plan offerings of other public housing authorities, local agencies, and competitors for talent.
- Recommendations on compensation and/or benefit enhancements used successfully by other public housing authorities and public institutions competing for the same work force.
- Recommendations for strategies to address pay disparities for long-term employees due to salary compression.
- Recommendations to title changes to assist RHA with use of conventional titles within the industry and/or comparable private market.
- Written report of methodology and recommendations for the salary ranges.
- A bid price that includes the entire salary study cost and a contact person that will be the liaison between RHA and the contractor.

Time Frames for Completion: All contractors interested in responding to this Request for Proposals must submit their sealed proposal to Tamara Yurkiv by **5:00 PM EST on Monday, January 9, 2023**. After the RFPs are reviewed, telephone interviews will be arranged for the top two or three respondents based upon cost, experience, soundness of plan, and ability to meet time requirements. If a contractor is selected, a Notice to Proceed will be issued. Following issuance of the Notice to Proceed, the contractor will have 45 calendar days to prepare a draft report of the salary analysis. RHA will then have 15 calendar days to review this draft and return

it to the contractor with any comments. The contractor will then have 15 calendar days to return the final report to RHA. RHA will be available to meet with the contractor as needed if issues need to be resolved that were raised from the draft report. If needed, the recommendations to adjust our current salary schedule based on the results of the salary study will tentatively be presented to the RHA Board of Commissioners on Thursday, April 27, 2023.

Items to Include in the Proposal:

- Company Name and Address.
- Contact information including phone numbers, fax numbers, and e-mail addresses.
- Years in business.
- Biographical information on contractor's staff assigned to handle this salary study.
- Brief statement of the methodology used to complete this analysis.
- If needed, amount of time anticipated to be on site with RHA. (Over what period of time? (days, weeks, etc).
- Additional information needed from RHA beyond that included in this RFP.
- At least three (3) references of other public housing authorities for whom you have provided salary studies in the past three (3) years.
- Cost estimate for the study.
- Timeline for completion of salary study if beyond timeframes mentioned herein.

Evaluation Factors: In selecting a contractor to complete the salary analysis the following factors will be considered:

Required Items:

- Completeness and responsiveness of the proposal.
- Timely receipt of proposal.
- Capacity to meet the timelines and required documentation.

Other Factors:

- Soundness of approach - statement of how the analysis will be completed (45%)
- Experience and References (30%)
- Fairness of price (25%)

Additional Information: If you have questions or need additional information you may call Tamara Yurkiv at 919-508-1356. **All responses to the RFP must be sealed and received by the Raleigh Housing Authority by 5:00 PM EST on Monday, January 9, 2023.** Any proposals received after this date will be returned unopened. The physical and mailing address is:

Raleigh Housing Authority
Attention: Tamara Yurkiv, Compliance Manager
900 Haynes Street
Raleigh, NC 27604

ATTACHMENT - RHA Department Overview

Central Office

- Comprised of the Executive Director/Chief Executive Officer, an Administrative Assistant, two Special Assistants, an HR Manager, and HR Generalist and proposed Communications Specialist, Development Coordinator, and Chief Operations Officer.
- Responsible for oversight of all operations across the agency critical to the mission and success of the agency, including various special projects and coordination with the Board of Commissioners.
- Human Resources handles all aspects of the employee life-cycle to include recruitment, onboarding, off boarding, in addition to performance management, personnel policy administration, training, compliance, benefits administration, etc.

Administration/Finance

- Electronic data processing support for all computerized functions such as applicant waiting list management, Section 8 check issuance, direct deposits, etc.; network administration for approximately 70 employees.
- Financial operations of \$113 million dollar agency.
- Cash management, budgeting and all accounting functions for over 20 programs.
- Preparation of annual audit report per local, state, and federal regulations.
- Audit Federal Funding compliance of Public Housing and Section 8 programs.
- Procurement services (1 employee) for all purchase orders and contracts.
- Courier service (handled by Administrative Assistant).

Housing Management

- Oversees the management and occupancy of 1200 public housing units.
- Completes all annual and interim income recertifications.
- Provides the supportive service programs for public housing residents.
- Manages RAD-Project Based Vouchers, tax credit and market rate rental properties.
- Provides training for residents for home ownership, housekeeping, etc.
- Completes annual inspections of all public housing units and quarterly inspections for all single family homes.

Maintenance

- Completes repairs for over 31,000 work orders generated per year.
- Handles the preventative maintenance for over 1400 public housing units.
- Provides maintenance for over 400 affordable/market rate properties for a fee.
- Provides maintenance services to agencies renting space from RHA.
- Maintains the warehouse and inventory control.

Development

- Oversees the Capital Fund and all modernization activities , including but not limited to major capital improvements, Lead Based Paint (LBP) monitoring and remediation, Asbestos (ACM) monitoring and abatement, major renovations and significant repairs for Raleigh Housing Authority; in addition to the same for RHA's non-profit subsidiaries; Capitol Area Developments, Inc. and Oak City Affordable Communities.
- Coordinates development planning, demolition, infrastructure, and construction activities.
- Sale of single-family homes.

Leased Housing

- Determines applicants eligibility for a Section 8 Housing Choice Vouchers
- Administers over 3900 Section 8 Housing Choice Vouchers
- Completes annual recertifications for all participants. Gathers updated documents and completes data entry of participant information.

- Completes interim rent changes due to changes in family composition or income.
- Processes voucher holders porting to and from other housing authorities.
- Processes applications for both Section 8 and public housing.
- Identifies tenant and landlord fraud, executes repayment agreements and program terminations.
- Completes all the housing inspections for the Section 8 program (move-ins, biennial, emergency, or quality control).
- Conducts outreach to recruit new landlords and provides training for them.
- Completes audits to ensure compliance with HUD regulations.